

# BUDGET LETTER

<b>SUBJECT:</b> GENERAL STATEWIDE SECTIONS	<b>NUMBER:</b> 07-25
<b>REFERENCES:</b> BUDGET ACT OF 2007, (CHAPTERS 171 AND 172, STATUTES OF 2007)	<b>DATE ISSUED:</b> September 4, 2007
	<b>SUPERSEDES:</b> BL 06-14

TO: Agency Secretaries  
Department Directors  
Departmental Budget Officers  
Departmental Accounting Officers  
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

The 2007 Budget Act contains changes to the General Statewide Sections that may affect many departments. Sections 4.04 and 15.25 were added, while Sections 4.05 and 28.00 were revised. Sections 3.65, regarding minimum wage funding, and 4.75, regarding centralized costs, have been eliminated.

The new and revised Sections are summarized below. For additional information regarding these Sections, please contact your Department of Finance (Finance) Budget Analyst or the Finance analyst responsible for the Section, as listed at the end of this Budget Letter.

## **SECTION 4.04 – GENERAL FUND PRICE INCREASE**

Section 4.04 requires Finance to reduce General Fund appropriations by the amount of any General Fund price increase that were included in the 2007-08 budget total . This Section does not apply to the Legislature, constitutional officers, or the judiciary. Budget Executive Orders will be processed to remove this funding.

## **SECTION 4.05 – GENERAL FUND APPROPRIATION REDUCTIONS**

Section 4.05 requires Finance, in consultation with agency secretaries and other cabinet members, to reduce General Fund appropriations by \$100.3 million in the 2007-08 fiscal year.

## **SECTION 15.25 – DATA CENTER RATE ADJUSTMENT**

Section 15.25 authorizes Finance to adjust department budgets as necessary due to Department of Technology Services rate changes approved by the Technology Services Board during the 2007 and 2008 calendar years. This Section allows increases or decreases, provided the aggregate General Fund increases do not exceed the aggregate General Fund decreases.

## **SECTION 28.00 – ADDITIONAL FUNDS RECEIVED FROM NON-STATE SOURCES**

Section 28.00 was revised as follows:

- Augmentations for items for which the Administration had knowledge to include in its current budget plan should not be submitted through this Section. Augmentations for items which can be deferred to the subsequent budget year should be included in the Administration's ensuing budget proposals.
- The threshold for notification to the Legislature increased from \$200,000 to \$400,000.
- In order to receive consideration for an augmentation, departments are required to either (1) notify Finance within 45 days of receiving official notification that additional federal or nonstate funds will be received, or (2) explain in writing to Finance why the notification was infeasible or impractical. In either case, the department must provide Finance a copy of the official notice of fund availability.

If you have any questions regarding these Sections, please call the following Finance staff:

- Sections 4.04 and 4.05 – Oscar Chaves – (916) 445-5332
- Section 15.25 – Kathryn Amann – (916) 322-2263
- Section 28.00 – Bill Steffenhagen – (916) 322-5540

Thank you!

/s/ Veronica Chung-Ng

Veronica Chung-Ng  
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